

Alaska Bankers Association

P.O. Box 241489 • Anchorage, Alaska 99524-1489 • Ph. 907-261-3525 • Fax 907-562-1758

April 6, 2011

Susan Bell, Commissioner
Department of Community and Economic Development
PO Box 110800
Juneau, Alaska 99811-0800

Dear Commissioner Bell,

The Alaska Bankers Association would like to express its support for House Bill 121 as amended in the House Finance Committee. We sincerely appreciate your time and patience in resolving the several issues we had with this legislation.

Alaska Banks are actively engaged in making loans to the small business community. While recent headlines across the nation have spoke to banks *not* making loans, at no time during the last two plus years have any of Alaska's community banks stopped lending in any of their portfolios.

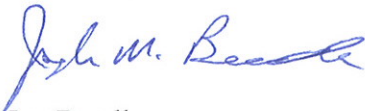
To give you a sense of recent loan volumes, we have compiled year-end results from several of our members. The following data represents the 2009 and 2010 new business loans under \$100,000 made by First National Bank, Northrim Bank and Alaska Pacific Bank. Note that this data represents loan volumes from three of our nine member banks.

New Business Loans under \$100K	2009	2010
No. of New Business Loans	1,060	1,035
Amount of New Business Loans	\$34,146,278	\$37,796,775

All banks, not just in Alaska, have excess liquidity and are looking forward to increased loan demand. The industry is sitting on up to 20 percent of its collective balance sheet in cash, so there is a strong motivation to make loans. If a viable business proposal walks into any of our Alaskan institutions, the proposal is going to receive a fair review. We want to make the loan just as bad as the applicant wants to borrow.

Again, thank you for working with the Alaska Bankers Association to craft a committee substitute that works for all of us.

Sincerely,



Joe Beedle
President, Alaska Bankers Association